

# ***NEWS RELEASE***

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***OFFICE OF THE UNITED STATES ATTORNEY  
SOUTHERN DISTRICT OF CALIFORNIA  
San Diego, California***

***United States Attorney  
Karen P. Hewitt***

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***For Immediate Release***

**NEWS RELEASE SUMMARY** -March 22, 2007

United States Attorney Karen P. Hewitt announced that Renato Bernaldo Paulin, the owner and operator of Benison Medical Supply, Inc., a San Diego medical equipment supplier, pleaded guilty in federal court in San Diego today to one count of conspiracy to defraud Medicare. Paulin's plea was entered pursuant to a plea agreement with the United States. Paulin also entered into a separate civil settlement agreement with the United States to pay \$300,000 to resolve his civil liability under the False Claims Act (31 U.S.C. §§ 3729-3733). As part of the civil settlement, Paulin has agreed to be permanently excluded from Medicare, Medicaid, and all other federal health care programs.

In connection with his guilty plea, Paulin admitted that between 1997 and 2003, he was involved in a scheme to defraud the Medicare health care program through the submission of \$600,000 in false and fraudulent claims for payments relating to the purchase of medically unnecessary motorized wheelchairs and motorized wheelchair accessories. He further admitted that he conspired with Dr. Romulo Valdez, a San Diego physician, who signed false "Certificates of Medical Necessity," which Paulin then used to submit

fraudulent claims to Medicare for unneeded motorized wheelchairs and motorized wheelchair accessories. Medicare regulations require physicians to sign “Certificates of Medical Necessity” verifying the beneficiary’s need for a motorized wheelchair. Medicare will not pay for motorized wheelchairs without this documentation of medical need. Dr. Valdez previously pleaded guilty to conspiring with Paulin and admitted that his role in the conspiracy was the signing of Certificates of Medical Necessity for motorized wheelchairs not needed by the beneficiaries, knowing that Paulin would use the false certifications to bill Medicare for the unneeded wheelchairs. Paulin also admitted that, to further the conspiracy, he made illegal payments to “recruiters” to refer patients to either Benison or Dr. Valdez so that Paulin could bill Medicare for medically unnecessary motorized wheelchairs and motorized wheelchair accessories.

United States Attorney Hewitt said, “Today’s criminal plea and civil settlement punish the defendant for his criminal conduct, and require that he repay the money that he fraudulently obtained from Medicare.”

HHS-OIG Special Agent In Charge Gerald Roy said, “This conviction should serve as a deterrent to those who, like Mr. Paulin, think they can defraud Medicare, a program that is in place to provide necessary services to our elderly and disabled populations.”

FBI Special Agent In Charge Daniel Dzwilewski said, “The FBI will continue to vigorously pursue the perpetrators of fraud against our federal health care programs. The individuals responsible for these schemes are a financial drain borne by the taxpayer.”

Paulin is scheduled to be sentenced on July 11, 2007 at 9:00 a.m., before United States District Judge Barry T. Moskowitz.

**DEFENDANT**

Case Number: 06CR0274-BTM

Renato Bernaldo Paulin

**SUMMARY OF CHARGE**

Conspiracy to Defraud the United States in violation of Title 18, United States Code, Section 371  
Maximum penalty: Five years in prison, a \$250,000 fine, and mandatory restitution

**AGENCIES**

U.S. Department of Health and Human Services, Office of Inspector General

Federal Bureau of Investigation

California Department of Justice, Bureau of Medical Fraud and Elder Abuse

California Department of Health Services, Medi-Cal Fraud Prevention Bureau